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DPS -17  
COPY 2 OF 4

20 June 1958

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To: Contracting Officer, SP-1915

Subject: Proposed Amendment, Tentative Billing Price

Doug's letters DPS-0319 and 1271 suggest that some action should be taken re billing prices. Moreover, our recent discussions have established that work of subject type (excepting Section C) after June 30 will be performed under SP-1917 and SP-1918.

It is proposed and requested that SP-1915 be amended to provide a tentative contract billing price of \$2,340,000 as indicated in the attached page.

The tentative billing price amount has been calculated (using negotiated overhead disallowance rates) as follows:

Total recorded costs June 1, 1958	\$2,026,654
Estimated costs for June	222,067
Total cost	<u>\$2,248,721</u>
Profit 9 1/2%	213,628
Total estimated price	<u>\$2,462,349</u>
Reduction for conservatism in establishing tentative billing price	122,349
Proposed Tentative Billing Price	<u>\$2,340,000</u>

Such tentative billing price would only serve in the interim until the final revised price is negotiated and documented. We expect to submit our detailed cost statements and final price revision proposal approximately August 1. Allowing time for audit, etc., would indicate some probability that the wind-up (excepting Section C work) would occur the latter part of this year.

If the foregoing is satisfactory to you, we should very much appreciate your issuance of such amendment.

Very truly yours,

*Bob*

*Amend no 2 to  
SP-1915 is being  
written to cover  
this proposal*

SP-1915; Proposed Tentative Billing Price Amendment

Article 32 of the General Provisions is hereby amended by adding the following paragraphs:

"(b) The Government shall pay the Contractor, upon the submission of invoices and such other evidence as he may require, the sum of \$2,340,000, which amount is hereby established as the tentative contract billing price, less any payments previously made for articles delivered hereunder and less, for the purpose of liquidating advance and progress payments, whichever of the following is the smaller: (i) an amount equal to the total of all unliquidated advance and progress payments hereunder, or (ii) an amount equal to 85% of said contract billing price.

(c) The making of such tentative billing price payment shall not limit or prejudice any rights of the Government or the Contractor under this contract. If, as a result of any Price Revision pursuant to Part IV hereof, the revised contract price is greater than the contract billing price herein provided, the Contractor shall appropriately and promptly be paid the amount of such excess. If such revised contract price is less than such billing price, the Contractor shall appropriately and promptly reimburse the Government the amount of the deficiency. The total amount so payable and the method of payment shall be set forth in an amendment to this contract."